

# Maryland Lottery and Gaming Control Agency

Wes Moore, Governor • John Martin, Director



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TO: Maryland Lottery and Gaming Control Commission  
John Martin, Director

FROM: Solomon Ramsey, Managing Director, Sales and Marketing

DIVISIONS: Sales and Marketing

DATE: May 25, 2023

SUBJECT: Report for the May, 2023 Commission Meeting

Following is the status update of ongoing and special projects in Sales, Product Development and Creative Services, for May.

## 1. Sales

### April 2023, Year over Year Comparison Product Category by Store Segment

		Draw	Monitor	Fast Play/Instant	Combined
<b>STATE</b>	2023	\$72,649,997	\$51,122,193	\$103,054,339	\$226,826,529
	2022	\$84,554,911	\$53,544,377	\$101,132,450	\$239,231,738
	Difference	(\$11,904,914)	(\$2,422,184)	\$1,921,889	(\$12,405,208)
	%YoY +/-	-14.1%	-4.5%	1.9%	-5.2%
<b>INDEPENDENT</b>	2023	\$52,871,693	\$43,200,979	\$62,874,893	\$158,947,564
	2022	\$62,221,763	\$45,988,657	\$64,528,173	\$172,738,593
	Difference	(\$9,350,071)	(\$2,787,679)	(\$1,653,280)	(\$13,791,029)
	%YoY +/-	-15.0%	-6.1%	-2.6%	-8.0%
	% of State Sales	72.8%	84.5%	61.0%	70.1%
<b>CORPORATE</b>	2023	\$19,778,305	\$7,921,215	\$40,179,446	\$67,878,965
	2022	\$22,333,148	\$7,555,720	\$36,604,277	\$66,493,145
	Difference	(\$2,554,843)	\$365,495	\$3,575,169	\$1,385,821
	%YoY +/-	-11.4%	4.8%	9.8%	2.1%
	% of State Sales	27.2%	15.5%	39.0%	29.9%

Instant ticket sales are based on recorded weekly settlements and may not agree with other Instant ticket sales displayed in other reports that may reflect activations or validations.

#### a) Sales Management

##### i. Key accomplishments last period:

1. The monthly sales meeting was conducted in person April 19, 2023.

- a. Four (4) scratch off price points were launched, featuring \$2, \$5, \$10 & \$20.
- b. In conjunction with our instant products, we highlighted one additional initiative in the form of a Racetrax \$6 for \$5 promotion which is always well received by both the retailer network and our players.
2. District Managers with the best sales by region/territory (year-over-year) for March:
  - Larry Baum T-12
  - Jon McIntosh T-25
  - DeUnka Wade T-38
  - **Sherise Rascoe T-41 (Awarded the DM of the month)**
3. Launch Team initiative meeting was conducted. This month's focus was on the development and execution of a strategic sales plan for our May Family of games, *Hot 7's*. We launched the \$20 price point the previous month as a teaser ticket or preview to the full family launch in May.
4. All 50<sup>th</sup> anniversary plaque presentations honoring our 36 Legacy Retailers for their long-standing partnership with the Maryland Lottery were completed.

**ii. Upcoming tasks for this period:**

1. Final planning, preparation and execution of launch strategies and initiatives for the June instant ticket launch.
2. Preparation for the end of FY23 as well as final preparation for the beginning of FY24.

**b) Field Activities**

**i. Key accomplishments last period:**

1. District Managers made 5,746 retailer communication contacts during April, which includes store visits, phone calls and emails.
2. The Sales Department will be supporting selling with our retailers at 1 event: Wine in the Woods on Saturday 5/20 & Sunday 5/21.

**ii. Upcoming tasks for this period:**

1. District Managers continue to update all retailer profiles which include confirming and updating contact information (email and cell phone numbers) as well as store photos.
2. Vending units are currently being prepared for installation by SG and the Sales department will work on qualifying retail locations for placement.
3. Sales will continue to work with the OAG to terminate inactive retailers and recover lottery equipment.

**c) Retail Recruitment**

**i. Key accomplishments last period:**

1. Recruitment Results: Thirteen (13) independent applications were processed and locations installed in the month of April.

**ii. Upcoming tasks for this period:**

1. We continue monitoring turnaround time for application processing to allow us to identify any issues or possible areas of improvement which in turn will facilitate more efficient processing.
2. Recruitment will continue to focus on high foot traffic locations and where rapid development and retailer expansion opportunities exist.

**d) Sales Support/Self-Service Vending Units**

**i. Key accomplishments last period:**

1. Preparation for and execution of merchandising initiatives for our May instant game launch which includes development of POS as well as identification of both types and quantities of pieces to be distributed to the field.
2. Scheduling and coordination of the 2023 calendar year selling events for the Sales Department. This includes: working with Communication's to identify the selling events; working with Regional Managers to secure retailers for each event; scheduling of staff to work the events; ensuring proper support and promotional materials/items are identified for each event; recording of sales figures post event.

**ii. Upcoming tasks for this period:**

1. Work with Sales Force Automation team and Communications Department on plan of action for communicating Sci Guard plus system changes and manual checking of terminal printed ticket processes.
2. Continued planning for the upcoming Ravens season. This includes budget planning and allocation; development and design of promotional items; ordering of large-scale promotional items such as t-shirts to support our selling at Ravens home games and other stadium events.

**e) Corporate Sales**

**i. Key accomplishments last period:**

1. Corporate Sales Fiscal YoY Performance (as of 4/30/23):
  - FY '23- \$698,154,894
  - FY '22- \$604,670,748
    - Up 15%
2. Maryland Lottery 50<sup>th</sup> Anniversary celebrations continue as the Corporate Sales team recognizes several locations from both 7-Eleven and Royal Farms who've had locations open since the Maryland Lottery began operations in 1973. Commemorative plaques were delivered to many of the stores and/or their field management offices.
3. The Corporate Sales team has been in discussions with our corporate partners to discuss ways to increase sales in their locations.
  - We are exploring the opportunity of running similar 2<sup>nd</sup> chance promotions with the following chains in CY 23:
    - Sheetz
      - In-Store Sales Promotion- 5.8- 6.26.23
    - Safeway
      - In discussions for CY Q3
    - Walmart
      - In discussions for CY Q3/Q4

**ii. Upcoming tasks for this period:**

1. Corporate will begin scheduling business reviews for the following corporate chains:
  - a. Wawa
  - b. Highs of Baltimore
  - c. 7-Eleven

**f) Sales Force Automation**

**i. Key accomplishments last period:**

1. Gem Office

- a. Multiple recurring issues are present including the transfer of certain data on applications. The lottery and our central systems provider are actively looking for solutions.
- 2. Gem Intelligence
  - a. All field units are currently working as intended with no new issues to report at this time.
- ii. **Upcoming tasks for this period:**
  1. Continued testing of the new Sci Guard plus security enhancements on our terminal based games printed tickets.
  2. Begin putting together training presentations (slide show with voice over) for both internal and external uses. This includes screen shots and terminal images, step by step instructions and FAQ's & trouble shooting documents. Once completed, training will be scheduled for the sales staff and documents and presentations will be sent to the retailer network before launch.

**2. Product Development**

**a) Scratch-Off Products and Promotions**

**i. Key accomplishments last period:**

1. May Scratch-Off Launch (5/22/23):
  - \$1 – Hot 7s
  - \$2 – Hot 7s Doubler
  - \$3 – Red Hot Cash
  - \$5 – Hot 7s Tripler
  - \$10 – Hot 7s Multiplier
2. *Gold Multiplier Family of Games Second-Chance Contest:* The third drawing was held 4/25/23, 1,711,547 entries were received. The fourth drawing was to be held 5/23/23; as of 5/14/23, 758,607 entries were received.
3. *Instant Lottery Second-Chance Contest:* The third drawing was held 4/25/23, 29,185 entries were received.
4. *Frogger Second-Chance Contest:* One drawing was to be held 5/23/23 to select three winners to each receive one Frogger Home Arcade Unit; as of 5/14/23, 198,911 entries were received.
5. *Instant Lottery Second-Chance Contest:* The fourth drawing was to be held 5/16/23; as of 5/14/23, 22,039 entries were received.
6. *Closed Game Activity:*

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
537	\$5	Deluxe Crossword 6th ed.	\$19,551,205	\$13,975,201	\$5,576,004	4/3/2023
548	\$10	Ca\$h Bonus	\$22,604,390	\$16,937,469	\$5,666,921	4/3/2023
552	\$10	\$10,000 Lucky	\$20,689,510	\$15,523,339	\$5,166,171	4/3/2023

**ii. Upcoming tasks for this period:**

1. June Scratch-Off Launch (6/19/23):
  - \$3 – Diamond Bingo 4<sup>th</sup> Edition
  - \$5 – Ca\$h Multiplier
  - \$10 – Ultimate Cash
2. *Gold Multiplier Family of Games Second-Chance Contest:* The fifth and final drawing will be held 6/20/23.
3. *Instant Lottery Second-Chance Contest:* The fifth and final drawing date will be held 6/6/23.

4. *Corvette® Cash Second Chance Contest*: The first drawing will be held 6/6/23; as of 5/14/23, 105,003 entries have been received.

## **b) Draw and Monitor Game Products and Promotions**

### **i. Key Accomplishments last period:**

1. *50<sup>th</sup> Anniversary Cash Bash Promotion*: The second drawing was held 4/26/23, 1,585,951 entries have been received.
2. *"Thanks for Playing" Promotion*: May 24, 2023 was the Lottery's 50th Anniversary, and to celebrate we thanked our players with a one-day-only all games promotion. Eligible purchases (any terminal game, any price point) triggered an award of \$50 or \$500 vouchers on an Nth ticket basis. Over \$1,000,000 was awarded.

### **ii. Upcoming tasks for this period:**

1. *50<sup>th</sup> Anniversary Cash Bash Promotion*: The third drawing will be held 5/31/23; as of 5/14/23, 2,027,605 entries have been received.
2. *Racetrax Triple Crown promotion*: The popular Racetrax \$6 for \$5 promotion is coming back for the Triple Crown racing season. Three week-long promotional periods, each coinciding with a Triple Crown race, will offer \$1 discounts on every \$5 purchase (maximum discount is \$5 on a purchase of \$30 or more).
  - 5/1 - 5/7/2023 (Kentucky Derby race: 5/6/23)
  - 5/15 - 5/21/2023 (The Preakness race: 5/20/23)
  - 6/5 - 6/11/2023 (Belmont race: 6/10/23)

## **c) FAST PLAY Products and Promotions**

### **i. Key accomplishments last period:**

1. April FAST PLAY Launch 4/3/23):
  - \$1 – *Lucky Star*
  - \$2 – *Bloomin' Bucks* (relaunch)
  - \$3 – *Fortune Cookie*
  - \$10 – *Mega Multiplier*
2. *Spring Fling All Games Promotion*: From 4/10 – 5/7/23, players received one of the newly launched FAST PLAY games (\$1 Lucky Star, \$2 Bloomin' Bucks, \$3 Fortune Cookie or \$10 Mega Multiplier) FREE, just by playing their favorite lottery games. Any terminal game purchase could trigger the Nth ticket award tiers.
3. *Contestant of the Game Second-Chance Contest*: The second drawing was held 4/25/23, 74,308 entries were received. The third drawing was to be held 5/23/23; as of 5/14/23, 112,970 entries were received.

### **ii. Upcoming tasks for this period:**

1. *Contestant of the Game Second-Chance Contest*: The fourth drawing will be held 6/27/23.

## **3. Creative Services**

### **a) Traditional Advertising**

#### **i. Key Accomplishments**

1. *Cash Bash Promotion*
  - a. Continuing to work with partners (GKV, REJ and Atlas Experiences) to develop the *Cash Bash Promotion* grand prize award event in September. The group is working through event timing, staging, audience participation, winners and game play logistics.
  - b. The third flight of media is on-air from 5/1 – 5/21.

2. *Corvette Cash Scratch Off:*
  - a. Completed all *Corvette Cash* creative materials, including the television spot, two radio spots, out-of-home materials, and several digital and social units.
  - b. All media was placed and began airing on 5/1. It will continue for 4-weeks until 5/28. Television, radio, out-of-home, digital and social media will run statewide.
3. *Thanks for Playing Promotion*
  - a. Finalized advertising campaign materials to support the *Thanks for Playing Million Dollar Promotion*.
  - b. The media plan was approved and will run for five days from Sat, 5/20 – Wed, 5/24. It includes high impact and frequency mediums - radio, DJ endorsements, streaming audio, Royal Farms radio, digital and social media.
4. *Hot 7s FOG*
  - a. All *Hot 7s FOG* media buys were finalized. The media is scheduled to begin on 5/29 and will run for 4-weeks until 6/25 and includes television, radio, out-of-home, digital and social media.
  - b. Several *Hot 7s FOG* creative materials were finalized, including two radio spots, digital media and all out-of-home elements.
  - c. The television shoot to support this family of games occurred on 4/20. The spot is now in the final stages of editing and finishing.
5. *FAST Play Home Run Riches & Contestant of the Game*
  - a. With the *Orioles* inching closer to their 50<sup>th</sup> home run, we are working with the *Orioles* and *MASN-TV* to promote the upcoming award of \$50,000 to the lucky *Contestant of the Game*.
  - b. Continuing to promote the 50<sup>th</sup> home run award through web and LIMs graphics, on-going radio and television support on *MASN-TV* and *Orioles* radio.
6. *Sports Sponsorships:*
  - a. *Baltimore Ravens:* Worked with 9Rooftops to finalize the *Baltimore Ravens* advertising sponsorship for the 2023 season. Currently in the process of finalizing this agreement.

## ii. **Upcoming Tasks**

1. *Cash Bash Promotion*
  - a. Continue working with GKV, REJ and Atlas Experiences to further develop the *Cash Bash Promotion* grand prize award event.
  - b. Continue to update graphics for internal assets on an as needed basis leading up to the promotion deadline and event date.
2. *Ravens Scratch-Offs*
  - a. Made decision to utilize *Electric Football* campaign from 2022 for the 2023 season. Plan is to utilize the game pieces throughout the campaign elements, specifically point of sale and other graphic components.
  - b. Move forward with the point-of-sale procurement for all *Ravens* 2023 point-of-sale.
3. FY 24 Planning
  - a. *Product Campaigns:*
    1. Begin developing advertising and marketing plans for FY 24.
    2. Identify product initiatives that warrant paid advertising support.
  - b. *Sports Sponsorships:*
    1. Work with 9Rooftops and the *Washington Commanders*, as well as the *University of Maryland*, to develop sponsorship packages for the 2023-2024 seasons.

## b) **Web, Digital and Social**

**i. Key Accomplishments**

1. Promoted the *Thanks for Playing* promotion, *Corvette Cash* Scratch-Off and second-chance contest, *FAST PLAY Home Run Riches* ticket and second-chance contest, *Racetrax \$6 for \$5* promotion, *Sheetz Free Gift Card* second-chance promotion, and various winners and events through social media and the website
2. Planned the social and digital campaigns for the *Hot 7's FOG*, launching in May.
3. Conducted several onboarding/training sessions for our new MLR Promotions Administrator, Una Ruth.

**ii. Upcoming Tasks**

1. Plan digital and social campaigns for the *Lottery Week* and *Cash Heatwave* promotions in July.
2. Continue to support the *Cash Bash* and *Home Run Riches* second chance contests throughout the upcoming month.
3. Continue planning for FY 24 initiatives.

**c) My Lottery Rewards**

**i. Key Accomplishments**

1. Monthly active users increased 1.57% in April and 5.7% when compared to April 2022. Monthly registrations also increased 5.6% when compared to the previous month.
2. *Big Money* led scratch-off games in entries with 116.5K tickets entered during April. Second for entries was *Frogger* with 115.8K entries. Third for the second month in a row was *Gold X20* with 90.8K entries.
3. *Pick 3* and *Pick 4* continue to lead draw entries with approximately 2.13M combined. *Keno* was third with 426K entries.
4. There was a 2% increase in monthly active users on the app from March to April 2023.

**ii. Upcoming Tasks**

1. Work with SGI to implement new prize reveals for when players complete achievements.
2. Create the next round of Points for Drawings prizes for July through September.